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By SP-4 4/11/77
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MEMORANDUM

DATE: March 5, 1963
TO: The Vice President
FROM: Colonel Burris
RE: Cuba

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The severe shortage of consumer goods in Cuba appears to be worsening. Guevara recently told the Ambassador that while 1962 was a bad year for the Cuban economy and the population, 1963 is expected to be much worse.

Crop prospects for 1963 are again poor. Causes for the decline in agricultural output (principally sugar cane) include farm management, workers compensation, but more importantly workers' indifference. Even with the projected low output for 1963, the Soviets will still pay 4 cents per pound for sugar although the world price is 6 cents per pound. In other words, the highly touted economic agreement between the USSR and Cuba is, in fact, the greatest source of weakness in the Cuban Communist experiment.

Internal resistance to the Castro regime is exceedingly difficult, especially in the metropolitan areas. Castro has succeeded in establishing a system of informers at all levels of society, including individual families.

The principal avenue of entry and exit for Castro agents and trainees is the Cuban airlines flights from Havana to Mexico City. From the latter point a single airplane shuttles the agents where they are required. Mexican authorities are cooperating in the control of these flights.

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